



全民
Q&M

Corporate
Presentation
14 June 2011





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Corporate
Overview

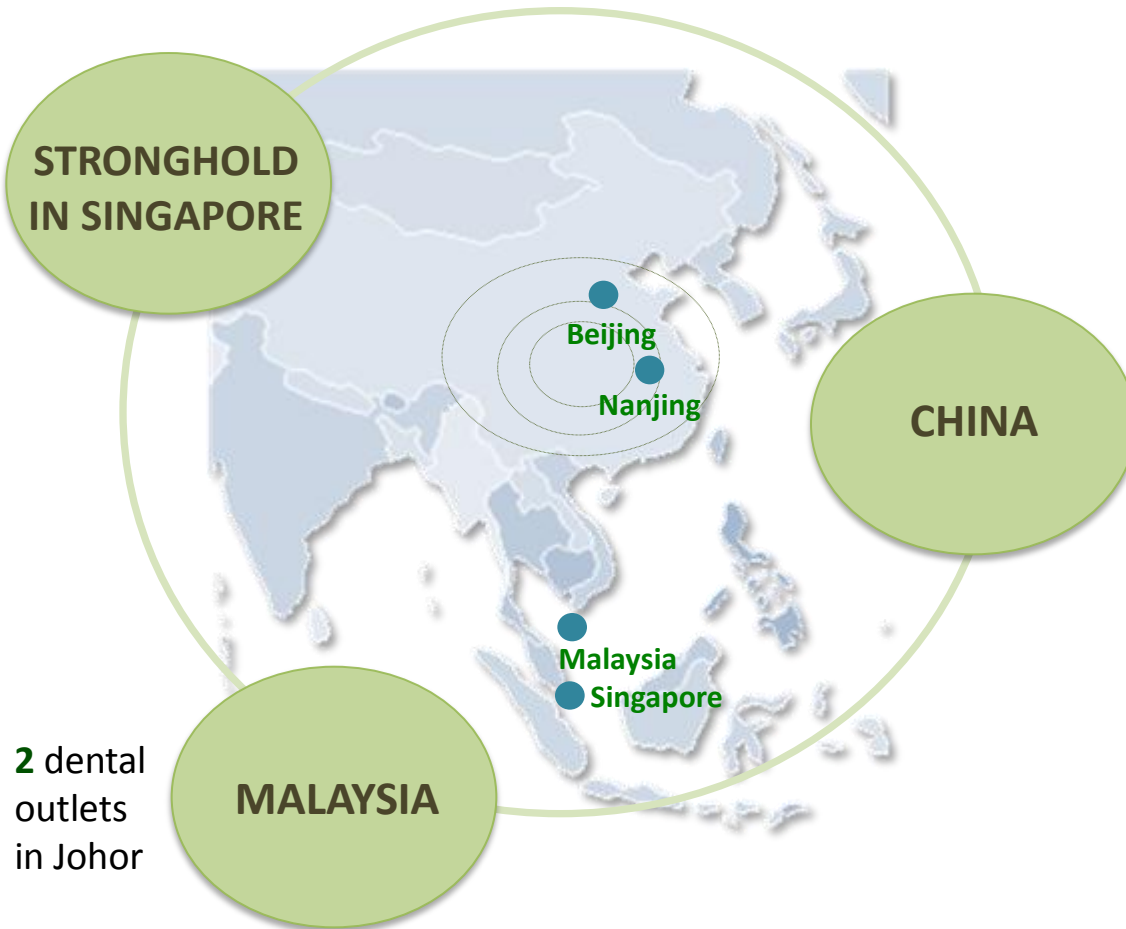


An Overview of Q & M

A growing private dental healthcare group in Asia

43 dental outlets
Over **400,000**
patients

**STRONGHOLD
IN SINGAPORE**



8 dental outlets
in Beijing and
Nanjing

CHINA

Proposed JVs to
own **15** dental
laboratories

2 dental
outlets
in Johor

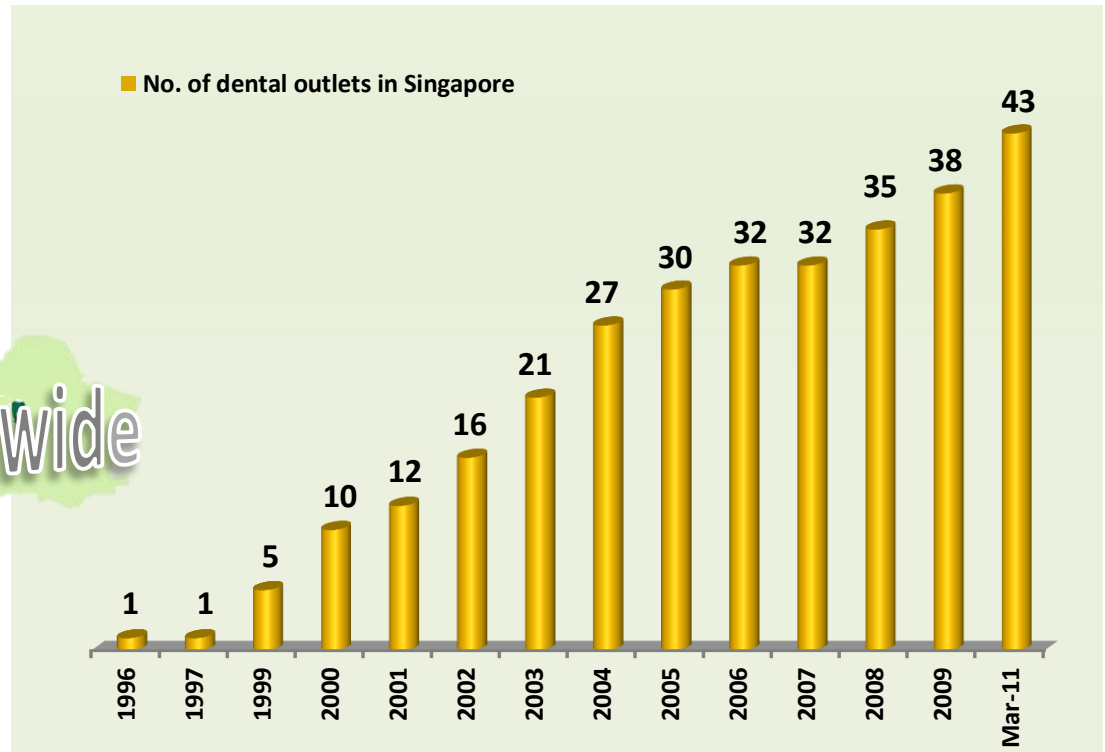
MALAYSIA

Robust Organic Growth

Strong brand name with 14-year track record of robust organic growth in Singapore

~ 7% market share*

43 dental outlets islandwide



* Based on a total of 654 registered private dental clinics in Singapore in 2009 as extracted from the Singapore Dental Council Annual Report 2009

Full spectrum of services ranging from general dental care to specialised services



General dental
treatment



Endodontics



Orthodontics



Periodontics



Prosthodontics



Paedodontics



Oral Surgery



Dental Implants



Aesthetics
Dentistry



Operating Model

- Multi-disciplinary dental healthcare services at a single location
- Focus on specialist dental healthcare services
- Equipped with latest technology

City Square Mall - Largest private dental centre in Singapore

- Operational on 17 December 2009
- 32 treatment rooms; total floor area of 12,000 sq ft
- Investment cost – S\$3 million



The Centrepoint – Situated in prime shopping belt

- Operational on 1 October 2010
- 16 treatment rooms; total floor area of 4,600 sq ft
- Investment cost – S\$2 million

An established & reliable dental healthcare services provider in Singapore

Established brand

- Reputable and widely recognised brand in Singapore's dental industry

Widest network

- Clinics strategically located island-wide near amenities like bus interchanges and MRT stations

Large patient base

- Treated more than **400,000** patients
- ~**18%** of population who visit dentists more than once a year*

Full dental services

- Multi-disciplinary expertise to offer patients comprehensive scope of quality dental services

Large dentist pool

- Over 130 qualified and experienced dentists
- Around **9%#** of registered dentists in Singapore

Strong leadership

- Experienced management team who are practising dentists
- 18 Principal Shareholders – 10 years service and moratorium until 2017



*Based on 46% of Singapore's population of 4.8 million as extracted from the Statistics Singapore website (<http://www.singstat.gov.sg/stats/themes/people/hist/popn.html>). According to the Health Promotion Board's Oral health Campaign 2005, only 46% of adults visited the dentists at least once a year.

#Based on 1,464 registered graduate dentists in Singapore as extracted from Singapore Dental Council Annual Report 2009



- 3 dental clinics in Beijing
- 30% stake in Aiyashi JV for RMB12m (RMB10m to fund expansion and working capital)



- 4 dental clinics, 1 dental centre and 1 mobile clinic in Nanjing
- 50% stake in Dan De JV for RMB8.7 m (RMB7.5m to fund expansion and working capital)



**Yiwu He Cheng Dental Equipment Co., Ltd.
("He Cheng")**

- Proposed to invest RMB26.5 m for 49% interests in JV for He Cheng
- He Cheng owns a dental laboratory based in Zhejiang Province
- Specialises in manufacture of crowns, bridges and orthodontics products



**Shenzhen New Perfect Exact Research Co., Ltd.
("New Perfect")**

- Proposed to invest RMB98 m for 49% interests in JV for New Perfect
- New Perfect is one of the largest dental laboratory group with 14 laboratories across the PRC
- Full range of products including crowns, bridges, implants, attachments, inlays/onlays, veneers
- Serves the PRC, North America, Europe and AP markets

***Both JVs for He Cheng and New Perfect are in the process of due diligence by Q & M Dental Group.
Completion of these joint ventures expected to take place before 3Q11.***

PRC Vendors' Profit Undertakings

Joint Ventures	Total net income per annum (minimum)	QDGC's share	Length of profit undertaking
Aiyashi JV	RMB3.2M	RMB0.96M	10 years
Dan De JV	RMB1.6M*	RMB0.8M	10 years
Proposed JV for He Cheng	RMB5M in 1 st year RMB6M from 2 nd year	RMB2.45M to RMB2.94M	10 years
Proposed JV for New Perfect	RMB16M in 1 st year RMB18M in 2 nd year RMB20M from 3 rd year	RMB9.8M	10 years
Total	~RMB30.8M	~RMB14.5M	

**from second year of the agreements signed in August 2010*

QDGC (Q & M Dental Group Holdings (China) Pte Ltd) is a 99%-owned subsidiary of Q & M Dental Group

Dental Wellness (Molek) in Johor Bahru



- Acquired 70% stake in Dental Wellness for RM1.05M
- Vendor's guarantee:
 - Profit > RM500,000 in total for 1 Jan 2011 to 31 Dec 2012
 - Profit > RM250,000 per annum from 1 Jan 2013 to 31 Dec 2016

Platform to expand into Malaysia's private dental healthcare market



Opened 2nd clinic at Jalan Bestari,
Taman Nusa Jaya on 2 May 2011

Building War Chest

Plans to raise up to US\$65M (approx. RMB390M) to finance the Group's expansion in the PRC

Strategic Investment of US\$15M by IFC, a member of World Bank

- US\$10m senior loan
- US\$5m convertible loan
- To facilitate the Group's expansion plans in the PRC and help widen access to high quality dental care in the country

Proposed TDR issue of up to US\$50M on the Taiwan Stock Exchange

- To fund expansion plans in the PRC and for working capital
- Promote awareness of Q&M brand in the PRC and Taiwan
- To broaden and diversify the Group's shareholder base
- Subject to receiving necessary approvals from the relevant regulatory authorities



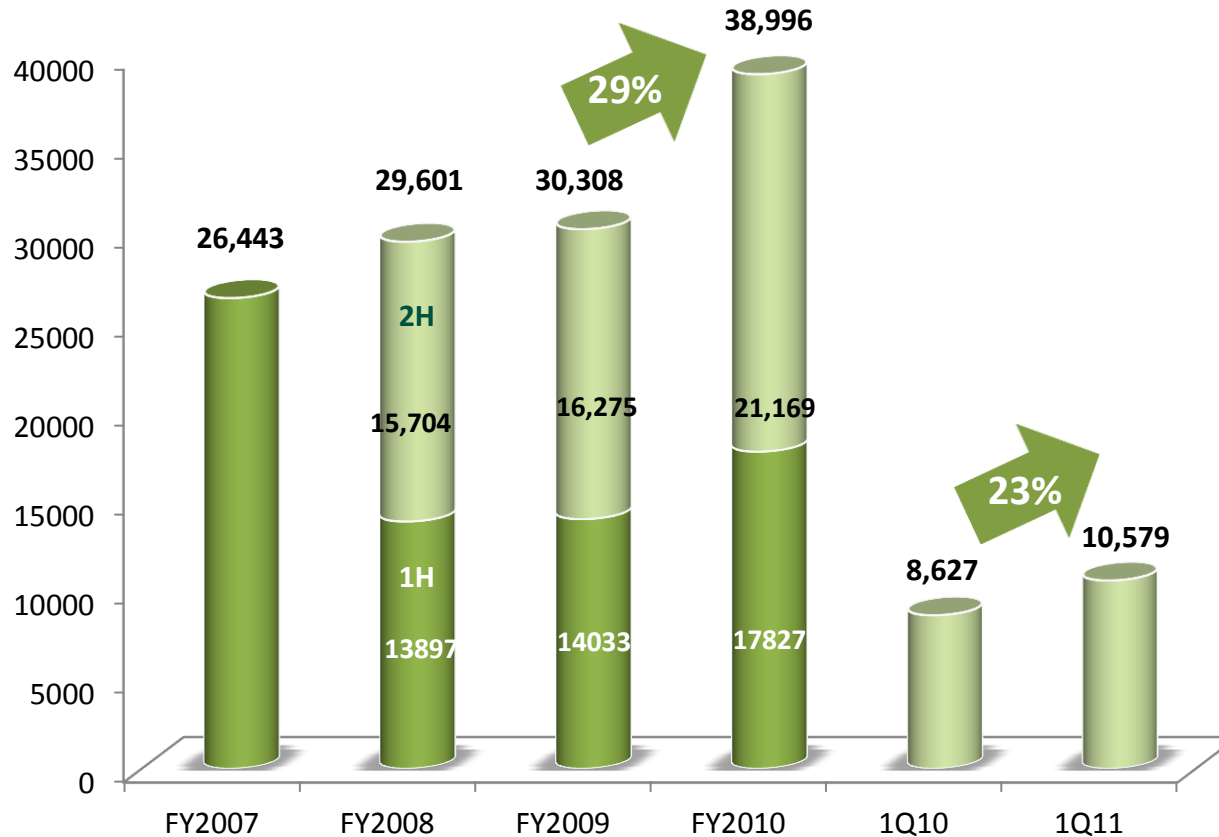
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Financial
Highlights



Revenue

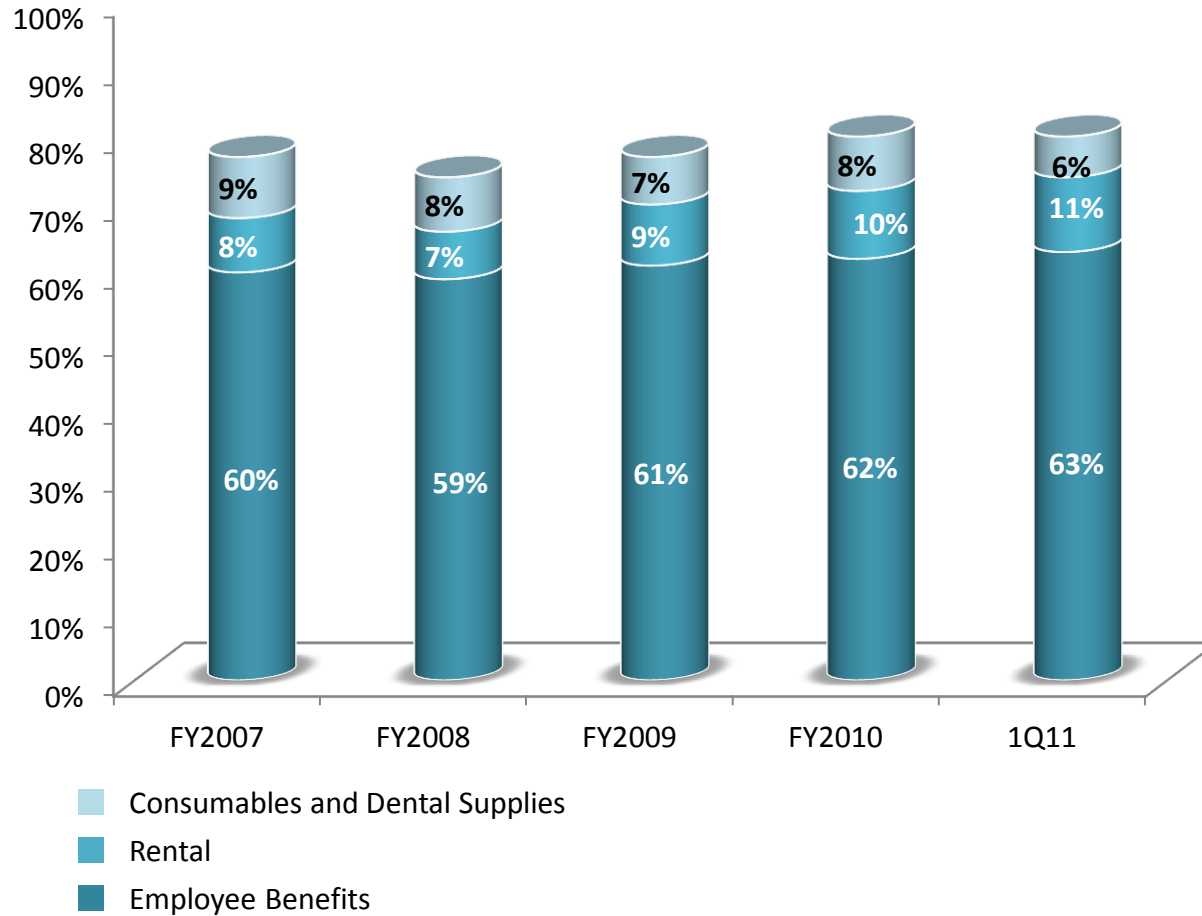
(S\$'000)



- Revenue in 2H seasonally higher than 1H
- Patient visits totalled 250,000 in FY2010
- Repeat patient visits in 1Q11 rose 22% to 48,000
- Treated over 400,000 patients as at 31 Mar 2011

No. of dental outlets in Singapore	32	35	38	42	38	42
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Key Operating Expenses as a percentage of Group revenue

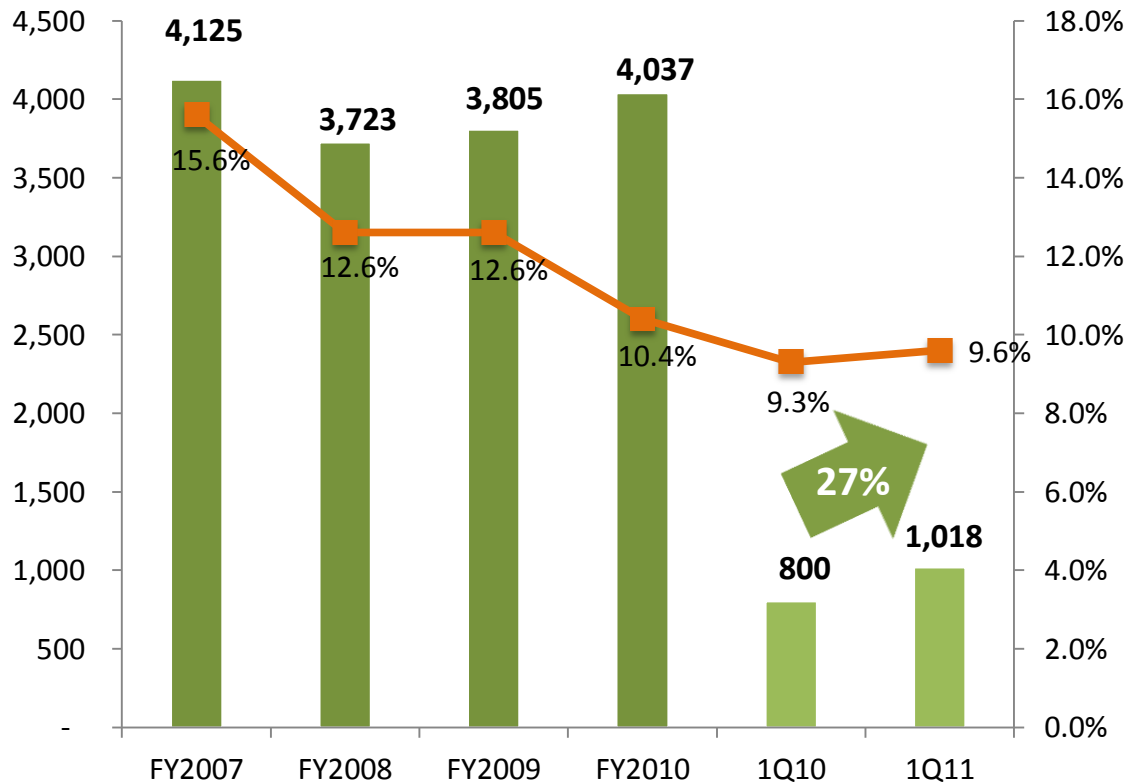


- **Key expenses forms approximately 80% of Group revenue**
- **Variable expenses (in line with revenue)**
 - Employee benefits
 - Consumables expenses
- **Fixed expense**
 - Rental expense

Net Profit and NP Margin

Profit After Tax
(S\$'000)

Net Profit Margin



FY2010 net profit up 6% y-o-y
despite:

- Higher operating costs
 - new dental outlets in Singapore
 - New outlets take time to build revenue but have immediate impact on costs
- Higher other expenses
 - ~S\$0.2 million for overseas market expansion activities which will only yield revenue and profit from FY2011

Group incurred professional fees and expenses in relation to its public listing of \$649,000 and \$498,000 in FY2008 and FY2009 respectively.

(S\$ million)	31 Mar 2011	31 Dec 2010
Key Assets		
Trade and Other Receivables (short-term)	4.6	4.3
Cash and Cash Equivalents	15.4	14.9
Plant and Equipment	7.9	6.5
Other Receivables	1.2	1.2
Key Liabilities		
Trade and Other Payables	4.5	5.0
Bank Loan and Finance Leases	1.7	-
Equity		
Shareholders' Equity	26.9	25.9

Per Share Data* (cents)	1Q11	FY2010
Cash Per Share	5.6	5.4
Net Asset Value Per Share	9.8	9.4
Earnings Per Share	0.4	1.5
Financial Ratios	1Q11	FY2010
Net Gearing (times)	Net Cash	Net Cash
Return on Equity	16% ⁺	15.6%
Current Ratio (times)	4.1	3.9
Dividend Per Share	FY2010	FY2009
Interim	0.5838	-
Final	0.6000	0.6183
Total	1.1838	0.6183

⁺ Annualised ROE

*Based on total number of shares issued of 275,226,497 shares as at 31 March 2011

Listing Date: 26 November 2009



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Prospects and
Future Plans



Growth potential of Singapore's dental healthcare market

Dental healthcare awareness and infrastructure in Singapore

- Only 46.5% of adults visited dentists at least once a year
- Ratio of dentist to patients is 1:3400 which is below developed nations of 1:1200

Increasing demand for specialist dental healthcare services

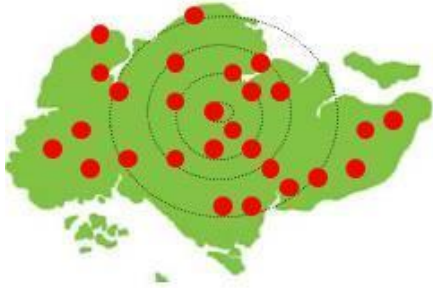
- Rising affluence in Singapore drives demand for specialist dental healthcare services such as aesthetics dentistry

Growth of medical tourism market in Singapore

- Singapore's reputation as medical hub attracts overseas patients for higher value-added dental healthcare services

Potential Growth Drivers

Set up new clinics



1. Target to own and operate 60 outlets by 2015
2. Through organic expansion and/or acquisitions
3. Upgrade existing facilities

Expand patient base



1. Increase utilisation of newly opened dental centres and clinics
2. Expand team of dentists trained in specialist services
3. Enhance mix of service offering

Explore strategic alliances



1. Continue to explore strategic alliances, joint ventures, or acquisitions in dental-related businesses in Singapore

To ride on the rising affluence and demand for better quality dental healthcare services

Large addressable market size

- Around 1.3 billion people
- Dentist-to-population ratio of 1:10,000
- Only 8% of population visit dentists once per year

Growing affluence

- Higher standards of living
- Dental healthcare awareness to increase with higher affluence

Demand for private dental healthcare services

- Growing middle class in the PRC
- Drives demand for higher value and differentiated services from government clinics

Vision - To achieve a separate public listing for the PRC dental business within 5 years
Plan to invest RMB400 million to build PRC dental business

Build new growth engine



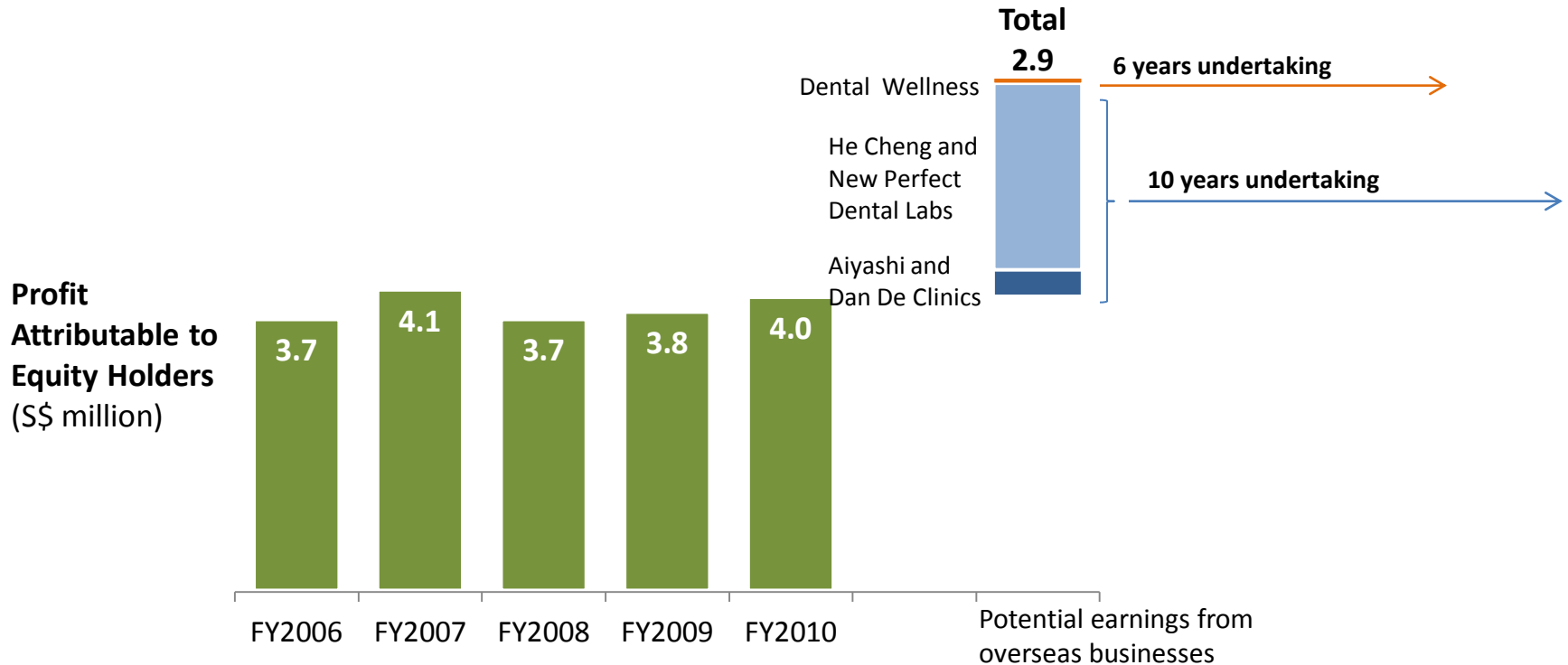
1. Target to own and operate 50 dental outlets and at least 20 laboratories by 2015
2. Continue to seek strategic joint ventures and/or acquisitions
3. Build combined profit base of RMB80M for PRC JVs

Expansion plans for JV clinics



1. Dan De group opened 5,000 sq ft dental centre with 6 consultation rooms in Zifeng Tower (Nanjing) on 2 January 2011
2. Continue to work with JV partners in Beijing and Nanjing to expand network and enhance the service of dental outlets

Potential earnings from overseas dental businesses



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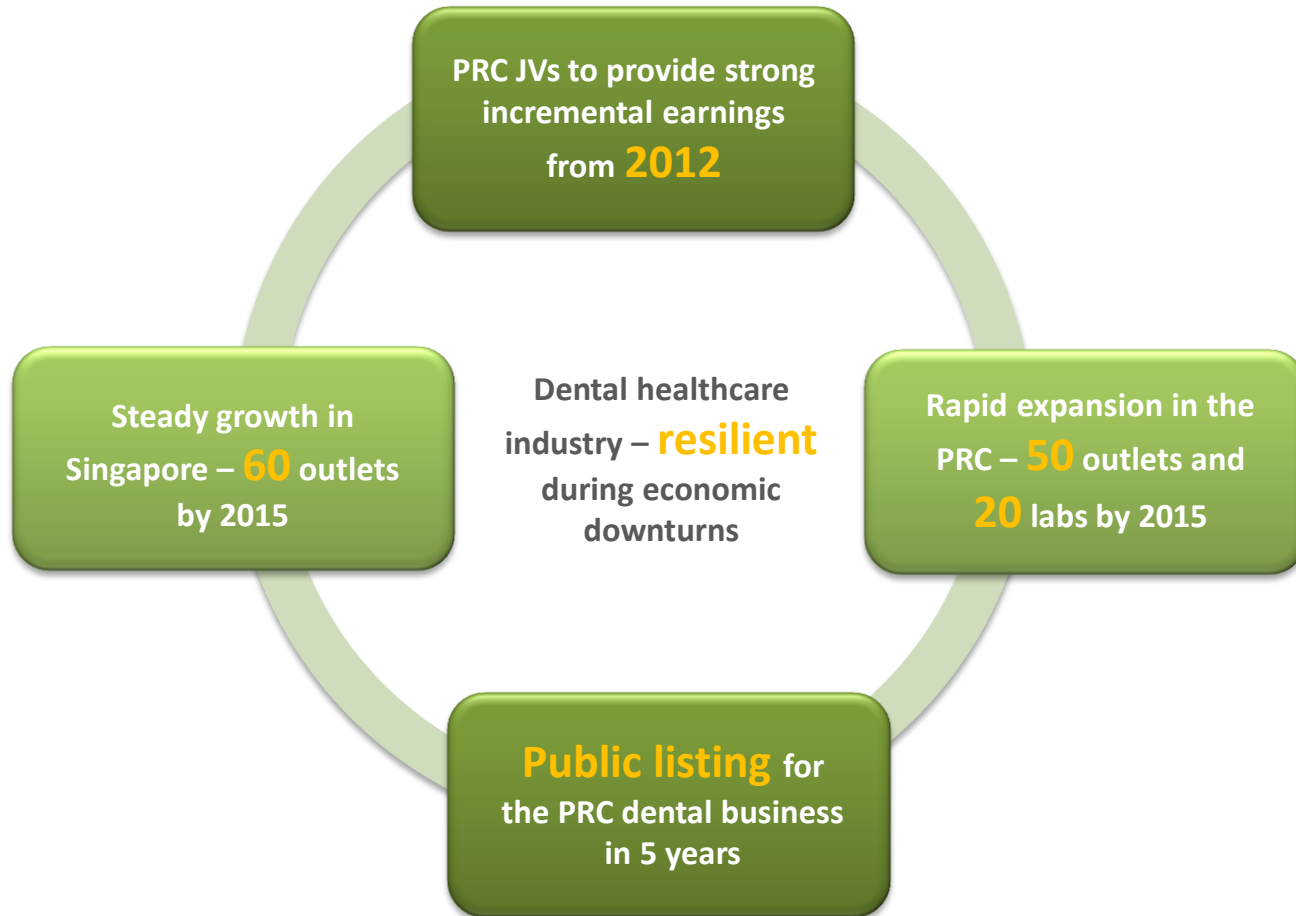
1. Potential contributions from overseas businesses are computed based on the undertakings set out in the respective joint ventures and acquisition with respect to profit / service fee / dividends payable to the Group
2. Conversion rate : RMB1 = SGD5.0595
3. Q & M Dental Group holds 99% interests in QDGC



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Salient Highlights





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Some of the key factors that could cause such differences are, among others, the following:

- changes in the political, social and economic conditions and regulatory environment in the jurisdictions where we conduct business or expect to conduct business;
- the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- changes in currency exchange rates;
- changes in customer preferences and needs;
- changes in competitive conditions in the dental services industry and our ability to compete under these conditions;
- changes in pricing for our services; and
- changes in our future capital needs and the availability of financing and capital to fund these needs.

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Thank You



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